

SECURE_U: Financing Common Defense in Multilevel Polities

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Project Summary (General Public)

How do unions of states, like the European Union, manage to raise money and defend themselves? History shows that these two questions — money and defense — are closely connected. In fact, in the United States during its first 150 years, most federal spending went not to the economy but to protecting the Union. Understanding this connection is crucial for analyzing the long-term stability of any union of states.

Today, Europe faces similar challenges. Russia's war against Ukraine and a more uncertain U.S. role in global security have revived debates about Europe's ability to defend itself. At the same time, financing support for Ukraine and repaying the EU's Covid-19 recovery fund have revealed that Europe also needs stronger financial tools to respond to crises effectively. Yet, we still do not fully understand how financial and military powers develop together — or under what conditions they succeed or fail. This lack of understanding can limit policymakers' ability to strengthen the EU's security and stability.

SECURE_U addresses this gap by studying the historical and comparative development of fiscal (money-raising) and military (defense) capacities in unions of states. It focuses on three cases: the United States, Yugoslavia, and the European Union. The research asks when, why, and how unions of states build lasting fiscal and military powers. The central hypothesis is that these powers emerge in response to threats: financial capacities often develop in reaction to internal crises, such as economic instability or political fragmentation, while military capacities are usually triggered by external dangers, such as war or territorial threats.

By comparing successes and failures across these cases, the project aims to uncover the conditions that allow unions of states to survive, strengthen themselves, and coordinate financial and military responses effectively. The expected outcomes are both scientific and practical: the research will provide new insights into the political economy of unions, inform broader debates on state capacity and federalism, and offer evidence-based guidance for policymakers on how Europe can enhance its security and stability in a rapidly changing world.